

**We claim:**

1. A process for preparation of  $\beta$ -keto aliphatic acid ester, which comprises growing a *Bacillus sp.* IICT 001 in growth medium for a period of at least 3-4 days to obtain broth, extracting the said broth with organic solvent, removing the solvent and purifying the  $\beta$ -keto aliphatic acid ester.
2. A process as claimed in claim 1 wherein the growth medium used is selected from the group consisting of nutrient medium and mineral salts medium.
3. A process as claimed in claim 1 wherein the growth medium is supplemented with protein and carbon content selected from the group consisting of soyabean meal, corn steep liquor, casein, casein hydrolysate glucose and malt extract.
4. A process as claimed in claim 1 wherein the growth of strain is carried out at a temperature range of 20 to 40°C and a pH in the range of 4.5-7.5.
5. A process as claimed in claim 1 wherein the solvent for extraction of broth is a chlorinated organic solvent selected from the group consisting of chloroform, dichloromethane and dichloroethane.
6. A process as claimed in claim 1 wherein the solvent for extraction of broth is ethyl acetate.
7. A process as claimed in claim 1 wherein the solvent for extraction of broth is a polar solvent selected from the group consisting of methanol, ethanol and a mixture thereof.
8. A process as claimed in claim 1 wherein the chromatographic method used comprises thin layer chromatography using silica gel as stationary phase and 1:1 methanol  $\text{CHCl}_3$  as mobile phase, column chromatography, high pressure liquid chromatography.
9. An antibiotic compound  $\beta$ -keto aliphatic acid ester isolated from *Bacillus sp.* IICT 001 and possessing the following spectral properties  
 UV max (MeOH) : 225  
 $^1\text{H NMR CDCl}_3(80 \text{ MHz})$ : 0.88 t ( $\text{CH}_3$ ); 1.25 s, br ( $\text{CH}_2$ )<sub>n</sub>; 2.16s( $\text{COCH}_2$ ); 3.68 s( $\text{COOCH}_3$ ) IR.  $\nu_{\text{max}}(\text{CHCl}_3)$  :  $\text{cm}^{-1}$  1730 (ester), 1670 (Carbonyl).
10. A pharmaceutical composition comprising an effective amount of a  $\beta$ -keto aliphatic acid ester isolated from *Bacillus sp.* IICT 001 and possessing the following spectral properties  
 UV max (MeOH) : 225  
 $^1\text{H NMR CDCl}_3(80 \text{ MHz})$ : 0.88 t ( $\text{CH}_3$ ); 1.25 s, br ( $\text{CH}_2$ )<sub>n</sub>; 2.16s( $\text{COCH}_2$ ); 3.68 s( $\text{COOCH}_3$ ) IR.  $\nu_{\text{max}}(\text{CHCl}_3)$  :  $\text{cm}^{-1}$  1730 (ester), 1670 (Carbonyl)  
 in admixture with a therapeutically acceptable carrier.